

Durham Civic Center Authority Meeting Minutes

Tuesday, December 18, 2007

8:00am

The meeting was called to order at 8:00am with the following members present/absent:

Present: Henry Sims, Patrick Byker, Robert Sinclair, Billy Ruffin and Rob VanDewoestine

Introduction of new Authority member – Henry Sims (County participant)

Absent: George Stanziale, Al Bass

Owner's representation: Heidi York, Al Walker, Karmisha Wallace, Micheal Lynch, Sharon DeShazo, and Sheila Huggins

Management Company present: Ken Lile, Dave Messinger and Jamie Frydlo

Motion of approval for November 18, 2007 minutes moved by Patrick Byker, seconded by Billy Ruffin, voted and agreed upon by all.

Action Items from November meeting

- Harmon Crutchfield, General Services to provide funding on scope of work for Capital Project. Capital Project Financial update provided
- Feedback from the Authority on the three-year business plan draft is anticipated for discussion at November's meeting. Management Company to include the Durham Civic Center in competitive analysis and add a projection for 2011. [Mr. Frydlo gave an update on the Business Plan with no feedback from the Authority.](#)
- Ms. DeShazo to contact Mr. Lynch, senior project manager on conversations with Skanska on Mr. Liles request to reduce construction on restrooms. [Skanska has responded to this request and work will begin early January as requested. Completion will take at least eight weeks.](#)
- Ms. DeShazo to execute process for using approved carryover funding. [Process for utilizing funds for lobby tile repair in progress; preparation for ballroom partitions in capital project scope.](#)
- Mr. Crutchfield and Mr. Al Walker of City of Durham General Services will work together to produce a unified 2008/09 CIP request. The list submitted today by Dave Messinger will be compared with the present CIP unfunded list. [Mr. Messinger requested a formal notice of receipt regarding CIP submission.](#)
- Request for a written resolution on the ADA issue of construction to be performed on the male and female toilets in the Civic Center.

Action Items from December meeting

- Ms. Wallace will check on the status of the Civic Center appraisal being done by the city and communicate the status to the Authority.
- Mr. VanDewoestine and Ms. DeShazo will re-publish the documents defining the responsibilities of the Authority Board members.
- Mr. VanDewoestine will make another attempt to contact Mr. Stanziale regarding the status of the Kenan-Flagler business plan.

- Ms. Wallace will set a meeting with Mr. Frydlo to discuss feed-back regarding the business plan.
- Ms. Huggins will find out when Craig-Davis will start to manage the Centre parking garage and notify Ken Lile.
- Ms. DeShazo will include Mr. Frydlo on the distribution list for Authority minutes.
- Mr. Messinger will submit a purchase order for the lobby tile with two quotes. A meeting will take place between Heidi, Karmisha and Ken to both understand and resolve the spending distribution between city, county and Shaner for capital improvements. Ms. Wallace and Ms. York will send letters to their respective managers authorizing the carryover from the previous year to be spent on items approved by the Authority.
- Mr. Lile is seeking resolution for Vendor parking on break-away curb during Civic Center Capital Project construction.
- Ms. York and Ms. Wallace will propose a meeting to discuss Shaners contribution to the HVAC current capital project.

Meeting Details

Capital Project Update: The City received the Guaranteed Maximum Price (GMP) from the CMAR for the current Civic Center Capital Project at \$2,607,798, which is within budget. The contract with Skanska has been executed. The construction remains as scheduled. Funds were not available to include the two bid alternates, which were the ballroom partitions (\$195,284) and the prefunction corridor (\$77,188) into the executed contract. General Service's staff is working to use the \$165,871 underbid from the PGMP and the \$90,000 gained from 2006/07 revenues and approved through a carryover request into the contract with Council approval. A change order of this amount will need City Council approval. This will provide an additional \$255,871.00 to include both alternates into the project. An additional \$16,601 from contingency will be needed, but staff is comfortable with this. Time is important in executing this process. The alternates are date stamped and critical to the schedule. Staff wishes to maintain at least seven and nine percent for a healthy contingency going forward with the projects.

Phasing materials of loading dock: As a result of a meeting with City Transportation, and Skanska, Micheal was able to provide a diagram of temporary loading dock logistics, which lays out Civic Center and Shaner access for construction, parking and demolition. This issue has been successfully resolved between Skanska and Mr. Lile.

The issue of regular Civic Center deliveries in relationship to loading dock construction access will be discussed with City Transportation, which will be shared with Ken Lile. Construction parking and resolution has been discussed and decided. Vendor parking for deliveries parking on the break-a-way curb is another issue Mr. Lile would like resolve. Vendors have been ticketed in the past. A suggestion of parking permits and/or signs to allow vendor parking on the sidewalk in a two-way street during the construction period. Vendors are also receiving tickets and need relief from parking enforcement.

Centre Deck Parking Garage – Council has approved the Public-Private Partnership with CDP Durham Centre Investors LLC for the redevelopment of the Centre Tower and Deck and also the Parking Management Contract for the deck. Staff had proposed that the City enter into this agreement with CDP to facilitate the design and renovation of the deck at the same time that renovation related investments are made in the Tower with private funds. Both parties will contribute over \$4.2 million to the project, and City Council will have to approve the guaranteed maximum deck price. All construction contracts for the project will be handled by CDP. Three companies responded to the Request for Proposals for the management agreement, and a recommendation will be submitted to the City Manager's office. The management agreement for the deck is a five-year term, and the City of Durham will retain ownership and control all pricing subject to Council approval. Mr. Lile requested assistance from the Authority on parking availability for the Civic Center. Mr. Lile also requested a meeting with the new acting Parking Systems Administrator to voice concerns.

Carryover Fund execution - The process for execution of approved carryover funding for the lobby tile has begun and will be much like the process of the budget transfer done in the last fiscal year for maintenance and repairs projects. A letter will be prepared through the City and County managers from the City and County representatives for approval. Mr. Messinger requests that letter to proceed now. Presently, Mr. Messinger is refreshing a previous quote to include an additional quote. Funds will be extracted from maintenance and repairs line item in the operating budget and reimbursed through monthly payment. However this method incurs additional expense to the total operating budget and will affect the final deficit by the amount of the tile. Mr. Messinger would prefer the owners release funds through a check because the effect is not the same on Shaners financial books.

- CIP process for 2008/09 to begin in December 2007 - All CIP projects are required for submission in the CIP database no later than December 31, 2007. Dave Messinger submitted the Civic Center 2008/09 CIP request per the Budget timeline. Two items from the 2007/08 submission were completed through a budget transfer leaving the \$133,930 at \$68,300. The automatic doors to the banquet hallway and the loading dock roll-up doors were completed. The request will be combined with existing General Services Civic Center list.

Management Report

- November revenues are \$205,778, which are \$48,154 over prior year. There was an increase in Minor fixed asset purchases for linen due to a year end cycle. Presently we are going into down time due to construction and will hire temporary staffing to assist in reduction of labor cost. Revenues are currently \$145,655 ahead of budget. Bad debt collected and included in November financials as a negative in administrative and general direct expenses. Civic Center still on target with budgeted net income at \$10,000 better.

- Mr. Frydlo was commended for a great job generating increased sales for Sports events and breaking into the Research Triangle market with Glaxo. Mr. Frydlo continues to sell ballroom space.
- Mr. Frydlo included bookings in monthly management report, which was well received by the Authority and will continue to do so.
- In a discussion on Management Company feedback, Mr. Lile requested from the Authority, what they would like from his team. Comments included continuing with improving communications. The Authority expressed appreciation of the way financial results have been under control. Mr. Byker commented on how he feels good about Mr. Liles leadership. The one area mentioned for improvement is a business plan that shows growth.
- Roles of each entity to be laid out in layman's terms.
- Ms. Wallace requested that Mr. Lile be more concrete about what he wants and suggested recommendations.

Business Plan

No report on the UNC Kenan-Flagler business plan participation.

Appraisals

County expects to have the first appraisal by December 21, 2007. It is intended to be distributed within 30 days of receipt.

Agenda for next meeting

- Status of incomplete action items from November meeting and added December action items.
- Review appraisers report
- Deliver items and decisions per the management contract
- Management Review
- Status of Capital projects
- Authority members responsibilities